

REED SMITH SHAW & McCLAY

MAILING ADDRESS:
P.O. BOX 2009
PITTSBURGH, PA 15230

TELEX 277871
FAX 412-288-3063

MELLON SQUARE
435 SIXTH AVENUE
PITTSBURGH, PA 15219-1886

412-288-3131

WASHINGTON, DC
PHILADELPHIA, PA
HARRISBURG, PA

RECORDATION NO. 1 5298 / 15298-A+B

Filed 1428

WRITER'S DIRECT DIAL NUMBER

AUG 26 1987 2:40 PM

INTERSTATE COMMERCE COMMISSION
August 24, 1987

Secretary
Interstate Commerce Commission
Washington, D.C. 20423

RE: Documents for Recordation Pursuant
to 49 U.S.C. § 11303

REED SMITH & CHAPIN
DELRAY BEACH, FL

MOTOR OPERATING UNIT

AUG 26 2 37 PM '87

ICC OFFICE OF
THE SECRETARY

Dear Sir:

Enclosed herewith is an original and one counterpart of the three documents described below, to be recorded pursuant to Section 11303 of Title 49 of the United States Code.

The documents are as follows:

1. Master Lease Agreement dated as of August 20, 1987 between Whirlpool Acceptance Corporation, a Delaware corporation, as Lessor and The Dow Chemical Company, a Delaware corporation, as Lessee. This is a primary document.

2. Equipment Schedule No. 1 dated as of August 24, 1987 between Whirlpool Acceptance Corporation, a Delaware corporation, as Lessor, and The Dow Chemical Company, a Delaware corporation, as Lessee. This is a secondary document, and the primary document to which it is related is the Master Lease Agreement referred to above, to which recordation numbers have not yet been assigned. We request that this Equipment Schedule No. 1 be cross-indexed.

3. Loan and Security Agreement dated as of August 20, 1987 between Whirlpool Acceptance Corporation, a Delaware corporation, as mortgagor and assignor, and Mellon Bank, N.A., a national banking association, as mortgagee and assignee. This is a primary document, because it grants a lien on certain rolling stock, and is also a secondary document, because it assigns the Master Lease Agreement referred to above all Equipment Schedules thereto heretofore or hereafter entered into. To the extent this Loan and Security Agreement is a secondary document, the primary documents to which it relates are the Master Lease Agreement and the Equipment Schedule No. 1 referred to above, to which recordation numbers have not yet been assigned. We request that the Loan and Security Agreement, to the extent it constitutes an assignment, be cross-indexed.

Counterpart - Christopher W. Roddy

REED SMITH SHAW & McCLAY

Secretary, Interstate Commerce -2-
Commission

August 24, 1987

Whirlpool Acceptance Corporation, a Delaware corporation, has its principal place of business at 553 Benson Road, Benton Harbor, Michigan 49022. The Dow Chemical Company, a Delaware corporation, has its principal place of business at 2030 Willard H. Dow Center, Midland, Michigan 48674. Mellon Bank, N.A., a national banking association, has its principal place of business at One Mellon Bank Center, Pittsburgh, Pennsylvania 15258.

The following equipment is subject to the Master Lease Agreement: Equipment and other personal property to be specified from time to time heretofore or hereafter by Equipment Schedules, and including but not limited to certain railroad cars, locomotives and other railroad rolling stock and other property intended for use relating to interstate commerce, or interests therein, owned by Whirlpool Acceptance Corporation at the date of said Master Lease Agreement at the date of said Master Lease Agreement or thereafter acquired by it.

The following equipment is subject to Equipment Schedule No. 1 (together with all additions, accessions, replacements, products and proceeds):

One hundred fifty (150) ACF Model 5800LT Center Flow Covered Hopper Cars, A.A.R. designation No. C214, bearing serial nos. DOWX 20200 (inclusive) through DOWX 20349 (inclusive).

One (1) locomotive, 1500 HP Model MP15T, A.A.R. designation No. D312, bearing serial no. 866139-1.

The following equipment is subject to the Loan and Security Agreement: Equipment and other personal property specified in the Master Lease Agreement dated as of August 20, 1987 between Whirlpool Acceptance Corporation and The Dow Chemical Company, as amended, modified or supplemented from time to time heretofore or hereafter, including all Equipment Schedules thereto, including but not limited to certain railroad cars, locomotives and other railroad rolling stock and other property intended for use relating to interstate commerce, or interests therein, owned by Whirlpool Acceptance Corporation at the date of said Master Lease Agreement or thereafter acquired by it, and including but not limited to one hundred fifty (150) ACF Model 5800LT Center Flow Covered Hopper Cars, A.A.R. designation No. C214, bearing serial nos. DOWX 20200 (inclusive) through DOWX 20349 (inclusive), and one (1) locomotive, 1500 HP Model MP15T, A.A.R. designation No. D312, bearing serial no. 866139-1, together with all additions, accessions, replacements, products and proceeds.

REED SMITH SHAW & McCLAY

Secretary, Interstate Commerce
Commission

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August 24, 1987

A short summary of the above documents to appear in the index follows:

1. Master Lease Agreement. Type of Document: Lease. Master Lease Agreement, dated as of August 20, 1987 between Whirlpool Acceptance Corporation, a Delaware corporation, whose principal place of business is at 553 Benson Road, Benton Harbor, Michigan 49022, as Lessor, and The Dow Chemical Company, a Delaware corporation, whose principal place of business is at 2030 Willard H. Dow Center, Midland, Michigan 48674, as Lessee, which covers amounts and types of equipment and other personal property to be specified from time to time heretofore or hereafter by Equipment Schedules. All right, title and interest of the Lessor in and to the Master Lease Agreement and Equipment Schedules has been assigned to Mellon Bank, N.A., pursuant to a Loan and Security Agreement dated as of August 20, 1987 between Whirlpool Acceptance Corporation and Mellon Bank, N.A.

2. Equipment Schedule No. 1. Type of Document: Supplement to Lease. Equipment Supplement No. 1, dated as of August 24, 1987, between Whirlpool Acceptance Corporation, as Lessor, and The Dow Chemical Company, as Lessee, supplementing the Master Lease Agreement dated as of August 20, 1987 between Whirlpool Acceptance Corporation, as Lessor, and The Dow Chemical Company, as Lessee. The amount and types of equipment covered include, but are not limited to, one hundred fifty (150) ACF Model 5800LT Center Flow Covered Hopper Cars, A.A.R. designation No. C214, bearing serial nos. DOWX 20200 (inclusive) through DOWX 20349 (inclusive), and one (1) locomotive, 1500 HP Model MP15T, A.A.R. designation No. D312, bearing serial no. 866139-1, together with all additions, accessions, replacements, products and proceeds. All right, title and interest of the Lessor in and to the Equipment Schedule has been assigned to Mellon Bank, N.A., pursuant to a Loan and Security Agreement dated as of August 20, 1987 between Whirlpool and Acceptance Corporation and Mellon Bank, N.A.

3. Loan and Security Agreements (as assignment). Type of Document: Assignment of Lease. Loan and Security Agreement, dated as of August 20, 1987, between Whirlpool Acceptance Corporation, as assignor, whose principal place of business is at 553 Benson Road, Benton Harbor, Michigan 49022, and Mellon Bank, N.A., as assignee, whose principal place of business is at One Mellon Bank Center, Pittsburgh, Pennsylvania 15258, covering, among other things, all right, title and interest of Whirlpool Acceptance Corporation to all that certain Master Lease Agreement dated as of August 20, 1987 between Whirlpool Acceptance

REED SMITH SHAW & McCLAY

Secretary, Interstate Commerce
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August 24, 1987

Corporation, as Lessor, and The Dow Chemical Company, as Lessee, as amended, modified or supplemented from time to time heretofore or hereafter, and all Equipment Schedules thereto from time to time entered into heretofore or hereafter.

4. Loan and Security Agreement (as mortgage). Type of Document: Mortgage. Loan and Security Agreement, dated as of August 20, 1987 between Whirlpool Acceptance Corporation, as mortgagor, and Mellon Bank, N.A., as mortgagee. The amount and types of equipment covered include, but are not limited to, equipment and other personal property specified in the Master Lease Agreement dated August 20, 1987 between Whirlpool Acceptance Corporation and The Dow Chemical Company, as amended, modified or supplemented from time to time heretofore or hereafter, including all Equipment Schedules thereto, and including but not limited to certain railroad cars, locomotives and other railroad rolling stock and other property intended for use relating to interstate commerce, or interests therein, owned by Whirlpool Acceptance Corporation at the date of said Master Lease Agreement or thereafter acquired by it, and including but not limited to one hundred fifty (150) ACF Model 5800LT Center Flow Covered Hopper Cars, A.A.R. designation No. C214, bearing serial nos. DOWX 20200 (inclusive) through DOWX 20349 (inclusive), and one (1) locomotive, 1500 HP Model MP15T, A.A.R. designation No. D312, bearing serial no. 866139-1, together with all additions, accessions, replacements, products and proceeds.

A filing fee of \$30.00 is enclosed. Please return a file-stamped copy of each of the above three documents, and any copies not needed by the Commission, to Kenneth C. Kettering, Esq., Reed Smith Shaw & McClay, P.O. Box 2009, Pittsburgh, Pennsylvania 15230.

Very truly yours,

REED SMITH SHAW & McCLAY

By *Kenneth C. Kettering*
Kenneth C. Kettering

HAND DELIVERED

Interstate Commerce Commission
Washington, D.C. 20423

OFFICE OF THE SECRETARY

Kenneth C. Kettering, Esq.
Reed Smith Shaw & McClay
P. O. Box 2009
Pittsburg, PA 15230

Dear
Sir

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 8/26/87 at 2:40PM, and assigned recordation number(s) 15298

Sincerely yours,

Norata R. McGee
Secretary

Enclosure(s)

SE-30
(7/79)

MASTER LEASE AGREEMENT

EXECUTED
COPY

RECORDATION NO. 1 5298
FILED 1987

AUG 26 1987 - 2 40 PM

MASTER LEASE AGREEMENT (the "Master Lease") dated as of August 20, 1987, by and between Whirlpool Acceptance Corporation (hereinafter called "Lessor") having its principal office and place of business at 553 Benson Road, Benton Harbor, Michigan 49022, and THE DOW CHEMICAL COMPANY (hereinafter called "Lessee"), having its principal office and place of business at 2030 Willard H. Dow Center, Midland, Michigan 48674.

IN CONSIDERATION of the mutual agreements hereinafter set forth and the payment of rent as herein provided for, the parties hereto agree as follows:

1. PROPERTY LEASED.

This Master Lease contemplates that Lessor shall rent, demise and let to Lessee tangible personal property (which together with certain additions, accessions, replacements and other property shall be referred to herein as the "Equipment"), in accordance with particular equipment schedules as the same may be agreed upon by Lessee and Lessor from time to time ("Equipment Schedule"). Each Equipment Schedule shall be substantially in the form annexed hereto as Exhibit A, shall incorporate the terms of this Master Lease by reference, shall be independent of all the other Equipment Schedules and shall constitute in itself a complete lease. In the event of a conflict between this Master Lease and any particular Equipment Schedule, the terms of the particular Equipment Schedule shall prevail.

ALL RIGHT, TITLE AND INTEREST OF THE LESSOR IN THIS MASTER LEASE AGREEMENT HAVE BEEN ASSIGNED TO MELLON BANK, N.A., PURSUANT TO A LOAN AND SECURITY AGREEMENT DATED AS OF AUGUST 20, 1987, BETWEEN THE LESSOR AND MELLON BANK, N.A.

DUPLICATE

ICC OFFICE OF
THE SECRETARY
AUG 26 2 38 PM '87
MOTOR OPERATING UNIT

2. DEFINITIONS.

(a) The "Acceptance Date" means the date Lessee accepts the Equipment for lease from the Lessor, as set forth in the Certificate of Acceptance.

(b) The "Appraisal Procedure" shall mean the procedure specified in the succeeding sentences for determining the economic useful life or the average fair market value, as applicable, of an Item of Equipment. If written notice is given pursuant to Section 3.2 or Section 3.3 requesting determination of the economic useful life or the average fair market value of an Item of Equipment, then the Lessor and the Lessee shall consult for the purpose of appointing a mutually acceptable qualified independent appraiser to make such determination. If such parties shall be unable to agree on an appraiser within 20 days, the economic useful life or the average fair market value of an Item of Equipment shall be determined by a panel of two independent appraisers, one selected by the Lessee and another selected by the Lessor; provided, however, that if either the Lessee or the Lessor shall fail to select an appraiser within 30 days after the giving of such notice, such appraiser shall be selected by the American Arbitration Association (or its successors). The two appraisers selected as aforesaid shall select a third appraiser or, if they are unable to agree on a third appraiser within 10 days after each of such two appraisers shall have been selected, such third appraiser shall be selected by the American Arbitration Association (or its successors). The appraisers appointed pursuant to the foregoing procedure shall be instructed to determine the economic useful life or the average fair market value of an Item of Equipment within 45 days after such appointment and such determination shall be final and binding upon the parties. In making the calculations required herein, (i) it shall be assumed that the Equipment is in the condition and repair in which it is required to be maintained pursuant to this Lease and that it is free and clear of all liens, claims and encumbrances, (ii) the value of the additions,

modifications and improvements to which Lessee retains title pursuant to Section 8.3 shall not be included, and (iii) costs of removal from the location of current use shall not be a deduction from such value.

(c) The "Commencement Date" means, as to the Equipment designated on any Equipment Schedule, that date on which the Base Term of the Lease shall begin which shall be specified in each Equipment Schedule.

(d) "Item" or "Item of Equipment" means any individual item or items comprising the Equipment identified in an Equipment Schedule by a serial number or other designation.

(e) "Lease" shall refer to the Equipment Schedule which incorporates the terms and conditions of this Master Lease.

(f) The "Loan Agreement" shall mean the Loan and Security Agreement dated as of August 20, 1987 between the Lessor and Mellon Bank, N.A. (Mellon Bank, N.A. acknowledged to be the "Secured Party" as such term is used herein), as the same may be amended, modified or supplemented from time to time hereafter.

(g) The "Note" shall mean a Note, as defined in the Loan Agreement.

(h) The "Manufacturer" shall refer to the manufacturer of the Equipment, as set forth in each applicable Equipment Schedule.

(i) The "Outstanding Principal" with respect to any Lease on any day shall mean the aggregate principal amount that is outstanding on the Note corresponding to such Lease on such day.

(j) The "Participation Agreement" means the participation agreement dated as of August 20, 1987, between Lessor, Lessee and Secured Party.

(k) The "Tax Indemnity Agreement" means the tax indemnity agreement dated as of August 20, 1987, between Lessor and Lessee.

3. TERM AND RENEWAL.

3.1 Term. The term of this Master Lease shall commence on the date set forth above and shall continue in effect thereafter so long as any Equipment Schedule entered into pursuant to this Master Lease remains in effect.

With respect to each Lease:

(a) Lessee shall execute and deliver to Lessor a Certificate of Acceptance substantially in the form annexed hereto as Exhibit B which shall be conclusive that Lessee finds the Item of Equipment complete, in good working order and condition and satisfactory for its requirements.

(b) The term of each Lease shall commence on the Acceptance Date for such Equipment, and shall continue for a period to but not including the Commencement Date (the "Interim Term"), and thereafter continuing from the Commencement Date and for that period of time as is specified on the applicable Equipment Schedule (the "Base Term").

3.2 Renewal Options. Provided that no Event of Default (as defined hereinafter) or event or condition which, with the giving of notice or the passage of time or both, would constitute an Event of Default, shall have occurred and be continuing hereunder, and upon at least one hundred and eighty (180) days prior written notice to Lessor, Lessee shall have the option at the end of the respective Base Term or any extension thereof, to extend the Lease with respect to all or any of the Items of Equipment listed on the appropriate Equipment Schedule for one or more additional periods (the "Renewal Term") subject to the same terms and conditions as those of the Base Term; provided that:

(a) With at least two hundred and seventy (270) days remaining in the Base Term of the Lease, the remaining economic useful life of the Item of Equipment listed on the appropriate Equipment Schedule shall be determined in accordance with the Appraisal Procedure. The expenses and fees incurred pursuant to the Appraisal Procedure shall be borne equally by the Lessor and Lessee.

(b) The Renewal Term shall be three (3) years unless a shorter period is all that remains after subtracting the Base Term and all previous Renewal Terms from eighty percent (80%) of the total economic useful life determined in accordance with Section 3.2(a). The rent as set forth in the applicable Equipment Schedule during such Renewal Term shall be an amount equal to the lesser of (i) fifty percent (50%) of the average periodic rental amount for such Item of Equipment actually paid during the Base Term, adjusted for early termination and casualties, as applicable, or (ii) the fair market rental value of such Item of Equipment determined in accordance with Section 14.3.

(c) During the period of time that the sum of the Base Term and all previous Renewal Terms equals or exceeds eighty percent (80%) of the total economic useful life of the Item of Equipment, the periodic Renewal Term shall be one (1) year, and the rent as set forth in the applicable Equipment Schedule during such Renewal Term shall be the fair market rental value of such Item of Equipment determined in accordance with Section 14.3.

(d) The Stipulated Loss Value payable for and during any Renewal Term in respect of any Item of Equipment irreparably damaged shall be an amount equal to thirty percent (30%) of the Original Cost of such Item of Equipment (as declared in Equipment Schedule No. 1).

(e) Rent during the Renewal Term shall begin to accrue to Lessor beginning upon the commencement of the Renewal Term and shall be due and payable during the Renewal Term on semi-annual payments due in arrears.

3.3 Purchase Options. Provided that no Event of Default (as defined hereinafter) or event or condition which, with the giving of notice or the passage of time or both, would constitute an Event of Default, shall have occurred and be continuing hereunder, and upon at least one hundred and eighty (180) days prior written notice to Lessor, the Lessee may exercise either of the following two options to purchase the Equipment:

(a) The Lessee may purchase any one or more Items of Equipment listed on the appropriate Equipment Schedule for cash upon the expiration of the Base Term or any Renewal Term for its fair market value as determined in accordance with Section 14.3. If this option is exercised, the Lessor shall sell and the Lessee shall purchase the selected number of Items of Equipment on the last day of the Base Term or Renewal Term, as the case may be. Upon payment by the Lessee of the purchase price for all of the Items of Equipment to be purchased and all rent in respect of the Base Term or Renewal Term remaining due but unpaid, the Lessor shall execute and deliver to or at the direction of the Lessee a bill of sale for such Items of Equipment transferring title thereto on an "as-is", "where-is" basis and without any representation or warranty by the Lessor, except for a warranty that each such Item of Equipment is free and clear of all liens, claims and encumbrances created by contract by the Lessor or arising out of claims against the Lessor other than claims against which the Lessee has agreed to indemnify the Lessor. The Lessee shall pay or cause to be paid (i) all sales and use taxes payable in connection with each sale and (ii) all unpaid property taxes accrued with respect to each such Item of Equipment attributable to the period prior to the sale.

(b) The Lessee may at the end of the Base Term of the Lease, but only at the end of the Base Term thereof, purchase any one or more Items of Equipment listed on the appropriate Equipment Schedule in accordance with the terms and conditions set forth in subsection (a) above, but for an amount equal to fifty percent (50%) of the Original Cost thereof, which the Lessor and the Lessee believe represents the anticipated fair market value of the Equipment;

provided that, subject to presentation of an Equipment list by Lessee to Lessor of the Items of Equipment to be purchased, and, at Lessee's expense, in accordance with the Appraisal Procedure, determination that the average fair market value determined in accordance with Section 14.3 of those Items of Equipment not purchased by the Lessee shall equal or exceed the average fair market value of those Items of Equipment purchased.

4. RENT AND PAYMENT.

Rent shall begin to accrue on the Acceptance Date and Lessee shall pay to Lessor, as rental for the Equipment during the Base Term, the amounts set forth in the respective Equipment Schedule, which shall be due and payable on the dates as specified therein (each such date being hereinafter called a "Rent Payment Date"). Lessee shall make further rent payments as specified in the appropriate Equipment Schedule through the end of the Base Term ("Base Rental") or any Renewal Term. Subject to the provisions of Section 6.4 hereof, rent shall be paid to Lessor at the address set forth above or at such other place as Lessor shall designate in writing, or if to an assignee of Lessor, at such place as such assignee shall designate in writing, and shall be paid free and clear of all claims, demands or setoffs against Lessor or such assignee. Whenever any payment (of rent or otherwise) is not made when due hereunder, Lessee shall pay interest on such amount until and including the date of payment, at the Overdue Rate (as defined in the respective Equipment Schedule); provided, however, that to the extent payments of Base Rental or Supplemental Rental are calculated by reference to payments due under the Loan Agreement or a Note, interest on such overdue payments shall be payable as additional Base Rental or Supplemental Rental in accordance with the terms of the Equipment Schedule, the Loan Agreement and such Note.

5. SELECTION; WARRANTY AND DISCLAIMER OF WARRANTIES.

5.1 Selection. Lessee acknowledges, represents and warrants that it has made the selection of the Equipment based on its own judgment and expressly disclaims any reliance upon statements made by Lessor. Lessee authorizes Lessor to insert in each Equipment Schedule the serial number and other identifying data of the Equipment.

5.2 Warranty and Disclaimer of Warranties. Lessor warrants to Lessee that, so long as Lessee shall not be in default of any of the provisions of the Lease, neither Lessor nor any assignee will disturb Lessee's quiet and peaceful possession of the Equipment and Lessee's unrestricted use thereof for its intended purpose.

EXCEPT FOR THE ABOVE WARRANTY OF QUIET ENJOYMENT, LESSOR MAKES NO OTHER WARRANTY, EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING, WITHOUT LIMITATION, THE DESIGN OR CONDITION OF THE EQUIPMENT, ITS TITLE, ITS MERCHANTABILITY OR ITS FITNESS OR CAPACITY OR DURABILITY FOR ANY PARTICULAR PURPOSE, THE QUALITY OF THE MATERIAL OR WORKMANSHIP OF THE EQUIPMENT OR CONFORMITY OF THE EQUIPMENT TO THE PROVISIONS AND SPECIFICATIONS OF ANY PURCHASE ORDER OR ORDERS RELATING THERETO AND, AS TO LESSEE, LESSOR LEASES THE EQUIPMENT "AS IS".

Lessor shall not be liable, to any extent whatsoever, for the selection, quality, condition, merchantability, suitability, fitness, operation or performance of the Equipment or Lessor's title thereto (except to persons claiming by, through or under the Lessor). Without limiting the generality of the foregoing, Lessor shall not be liable to Lessee for any liability, claim, loss, damage or expense of any kind or nature (including strict liability in tort) caused, directly or indirectly, by the Equipment or any inadequacy thereof for any purpose, or any deficiency or defect therein, or the use or maintenance thereof, or any repairs, servicing or adjustments thereto; or any delay in providing or failure to provide any part thereof, or any loss of business, or any damage whatsoever and howsoever caused except for any such loss caused directly by the gross negligence or willful misconduct of Lessor, or its agents and representatives.

Lessor hereby appoints Lessee as Lessor's agent to assert, during the term of the applicable Lease, any right Lessor may have to enforce the manufacturer's warranties, if any; provided, however, that Lessee shall indemnify and hold Lessor or its assignee harmless from and against any and

all claims, costs, expenses, damages, losses and liabilities incurred or suffered by Lessor as a result of or incident to any action by Lessee in connection therewith.

6. TITLE AND ASSIGNMENT.

6.1 Title. Nothing contained in any Equipment Schedule shall give or convey to Lessee any right, title or interest in or to the Equipment, except as a lessee as set forth therein and Lessee represents and agrees that it will hold the Equipment subject and subordinate to the rights of the Lessor, the Secured Party and any assignee and Lessee shall furnish Lessor with such documentation as Lessor shall reasonably require with respect thereto.

Lessee agrees to execute and deliver such Uniform Commercial Code financing statements or such other documents as reasonably requested by Lessor and presented to Lessee for execution in order for Lessor or its assignee to evidence or perfect its respective interest in the Equipment.

Lessee shall, at its expense, protect and defend Lessor's title to the Equipment as well as the interest of the Secured Party and assignee against all persons claiming through Lessee (or any predecessor in title) and shall at all times keep the Equipment free and clear from any legal process, liens or encumbrances whatsoever (except any placed thereon by Lessor) and shall give Lessor immediate written notice thereof and shall indemnify and hold Lessor, the Secured Party and any assignee harmless from and against any loss caused thereby.

6.2 Sublease or Relocation by Lessee. Provided that no Event of Default (as defined in Section 14.1) or event or condition which but for the lapse of time or the giving of notice or both would be such an Event of Default shall have occurred and be continuing, Lessee may (i) sublease any Item of Equipment hereunder with respect to any such Item (x) upon giving Lessor prompt written notice, to a corporation which is a subsidiary of Lessee or of which 50% or more of its issued and outstanding shares of capital stock are owned, directly or indirectly by Lessee, (y) to any other

person upon Lessor's prior written consent and (z) as otherwise specified in the applicable Equipment Schedule, or (ii) relocate the Equipment to any location within the United States, provided that, with regard to Item 1 of Equipment Schedule 1 only, Lessee shall provide written notice of any change in any location to both Lessor and Secured Party. Lessee agrees to promptly pay upon presentation to Lessee of evidence supporting such cost any and all out-of-pocket expenses, claims, demands and liabilities of whatever nature relating to or in any way arising out of such sublease or relocation (including but not limited to any additional property taxes or other taxes and any additional expenses of insurance coverage) and all out-of-pocket costs, damages, charges, reasonable attorney's fees and expenses arising out of or necessitated by such sublease, or relocation, and Lessee shall indemnify and hold harmless each party to the sublease, or relocation against any and all such expenses, claims, demands, and liabilities. Any sublease shall be made expressly subject and subordinate to the terms of this Lease and Lessee shall assign its rights under said sublease to Lessor as collateral and security for Lessee's obligations hereunder. In the event of a sublease or relocation, Lessee, its sublessee, if any, shall cooperate with Lessor in taking all reasonable measures to protect the interests of Lessor and its assignees to and in the Equipment. No sublease or relocation permitted hereunder shall relieve Lessee from any of its obligations under this Lease.

6.3 Merger, Consolidation or Acquisition of Lease. So long as no Event of Default or event or condition which with the giving of notice, the passage of time, or both, would constitute an Event of Default hereunder shall have occurred and be continuing, Lessee shall have the right to assign or transfer its leasehold interest under this Lease in the Equipment to any corporation into or with which the Lessee shall have become merged or consolidated or which shall have acquired all or substantially all of the property of the Lessee; provided that any such assignee, successor or transferee shall have duly assumed in writing the obligations of the Lessee hereunder, and shall not, upon the effectiveness of such merger or consolidation or acquisition of properties and the assumption of such obligations, be in default under any provision of this Lease; and provided

further, that such merger or consolidation or acquisition of properties shall not alter in any way the Lessee's obligations to the Lessor hereunder which shall be and remain those of a principal and not a guarantor.

6.4 Assignment by Lessor. Lessee acknowledges and understands that the terms and conditions of each Equipment Schedule have been fixed by Lessor in anticipation of its ability to sell and assign its interest or grant a security interest under each Equipment Schedule and the Equipment listed therein in whole or in part to a security assignee (together with successors and assigns, the "Secured Party"), for the purpose of securing a loan to Lessor. Mellon Bank, N.A., is hereby acknowledged to be the Secured Party hereunder. Lessor may also, as against the Lessee, absolutely sell and assign its rights as owner and lessor of the Equipment under any Equipment Schedule to an assignee (the "Assignee") which may be represented by a bank or trust company acting as a trustee (the "Owner Trustee") for the Assignee. Lessor also shall be allowed to assign its interest under each Equipment Schedule to any company that files a consolidated income tax return with the Lessor. After such assignments the term "Lessor" shall mean, as the case may be, such Assignee or Owner Trustee and (as to the benefits hereof but not the duties or obligations of Lessor hereunder) any Secured Party. The Lessee hereby consents to and shall acknowledge such assignment or assignments as shall be designated by written notice, substantially in the form of Exhibit F annexed hereto and made a part hereof, given by Lessor to Lessee and further covenants and agrees that:

(a) Any such Secured Party shall have and be entitled to exercise any and all discretions, rights and powers of Lessor hereunder or under any Equipment Schedule, but such Secured Party shall not be obligated to perform any of the obligations of Lessor hereunder or under any Equipment Schedule, other than Lessor's obligation not to disturb Lessee's quiet enjoyment and peaceful possession of the Equipment and unrestricted use thereof for its intended purpose during the term hereof so long as Lessee is not in default of any of the provisions hereof;

(b) Lessee will pay all rent and any and all other amounts payable by Lessee hereunder or under any Equipment Schedule to such Secured Party as shall be designated by written notice by Lessor to Lessee substantially in the form of Exhibit E hereto and made a part hereof, notwithstanding any defense or claim of whatever nature, whether by reason of breach of such Equipment Schedule or otherwise which it may or might now or hereafter have as against Lessor (Lessee reserving its right to have recourse directly against Lessor on account of any such defense or claim) and will give prompt written notice to Lessor of payment of rent and any and all other amounts payable by Lessee hereunder or under any Equipment Schedule in form and substance reasonably satisfactory to Lessor;

(c) Subject to and without impairment of Lessee's leasehold rights in and to the Equipment, Lessee holds the Equipment for such Secured Party to the extent of such Secured Party's rights therein. Notwithstanding the foregoing, upon expiration of the Base Term or any extension thereof, if any, Lessee shall return the Equipment pursuant to Section 10 hereof upon the direction of Lessor; and

(d) Notwithstanding any assignment of Lessor's rights hereunder to an Assignee, Secured Party or any other person or entity, Lessor agrees that it shall remain principally responsible and obligated to perform all of the Lessor's obligations and agreements hereunder.

7. NET LEASE; TAXES AND FEES.

7.1 Net Lease. Lessor and Lessee acknowledge and agree that each Lease constitutes a net lease and that Lessee's obligation to pay all rent and any and all amounts payable by Lessee under any Equipment Schedule shall be absolute and unconditional and shall not be subject to any abatement, reduction, setoff, defense, counterclaim, interruption, deferment or recoupment for any reason whatsoever, and that such payments shall be and continue to be payable in all events.

7.2 Taxes and Fees. Lessee covenants and agrees to pay when due or reimburse and indemnify and hold the Lessor harmless from and against all taxes, fees or other charges of any nature whatsoever (together with any related interest or penalties not arising from negligence on the part of Lessor) now or hereafter imposed or assessed during the term of each Lease against Lessor, Lessee or the Equipment by any federal, state or local governmental authority upon or with respect to the Equipment or upon the ordering, purchase, ownership, delivery, leasing, possession, use, operation, or disposition thereof or upon the rents, receipts or earnings arising therefrom or upon or with respect to any Equipment Schedule (excepting only federal, state or local taxes based on or measured by the net income of Lessor or such taxes or fees that are imposed as a result of Lessor's gross negligence or willful misconduct). Lessee shall have the right of first refusal, including selection of counsel and choice of forum, to contest such taxes, fees or other charges on behalf of Lessor, at the Lessee's own expense, unless Lessor shall waive in writing its right to indemnity under this Section 7.2. Lessor will cooperate with any reasonable request made by Lessee in connection with the conduct of such contest. Lessee shall be responsible for the filing of all personal property tax returns in respect of the Equipment and shall pay all taxes indicated thereon. Lessee shall notify Lessor of filing and payment of such personal property taxes in a mutually agreeable manner and within a reasonable time.

8. USE, POSSESSION AND MAINTENANCE OF EQUIPMENT.

8.1 Rules, Laws and Regulations. The Lessee agrees to comply with all governmental laws, regulations, requirements and rules (including, without limitation, the rules of the United States Department of Transportation, the Interstate Commerce Commission) and the current Interchange Rules or supplements thereto of the Mechanical Division, Association of American Railroads as the same may be in effect from time to time (the "Interchange Rules") with respect to the use and maintenance of each Item of Equipment subject to this Lease. In case any equipment or appliance is required to be altered, added, replaced and/or modified, and if no Event of Default or event or condition which, with the giving of

notice or the passage of time or both, would constitute such an Event of Default hereunder shall have occurred and be continuing, that Lessee may, in good faith and by appropriate legal proceedings, at its own expense, contest the validity or application of any such law, regulation, requirement or rule in any reasonable manner which does not in the opinion of the Lessor or the Secured Party adversely affect the rights or interests of the Lessor or the Secured Party in the Equipment or hereunder. If so requested by Lessee, Lessor will negotiate in good faith to purchase and lease such alterations, additions, replacements and/or modifications at the lowest cost to Lessor consistent with its rate of return on investment consistent with the rates of return received by the Lessor in current transactions with lessees with a similar financial strength credit rating as the Lessee, in transactions with similar terms and equipment, provided that the Lessor has sufficient tax liability and funds therefor (the "Supplemental Financing") and that the lease shall be on the same terms and conditions herein for a term that is coterminous with the Base Term or any Renewal Term thereto (subject to the Secured Party's right to decline to provide the debt portion of such Supplemental Financing, in which case, Lessor may proceed to obtain Supplemental Financing from another person on an unsecured basis.)

8.2 Use and Possession in Railroad Operations. So long as the Lessee shall not be in default under this Lease, the Lessee shall be entitled to the possession of the Equipment and to the use thereof upon lines of railroad in the usual interchange of traffic, but only upon and subject to all the terms and conditions of this Lease. The Lessee shall at no time use or permit use of the Equipment outside the continental United States excepting only in interchange, which in any event shall be de minimus. No sublease entered into by the Lessee hereunder shall relieve the Lessee of any liability or obligation hereunder which shall be and remain those of a principal and not a surety.

8.3 Use and Maintenance of Equipment. The Lessee shall use the Equipment only in the manner for which it was originally designed and intended and so as to subject it only to ordinary wear and tear; provided, however, that anything herein contained to the contrary notwithstanding, in

no event will the Lessee (or any permitted assignee or transferee thereof) use any Item of Equipment for the transportation of commodities the corrosive effect of which on the condition of such Item of Equipment would be materially greater than the corrosive effect of plastic pellets or resins or similar petrochemical commodities on the condition of such Item of Equipment. The Lessee shall, at its own cost and expense and in a manner no less thorough and complete than is the prudent industry standard for Class I line-haul railroads, maintain and keep the Equipment in good order, condition and repair, ordinary wear and tear excepted, but in any event in a condition at least equal to that of similar equipment owned by the Lessee, and otherwise suitable for use by a Class I line-haul railroad.

8.4 Alterations and Attachments. Lessee will not, without written consent of Lessor, affix or install any accessory, equipment or device on the Equipment leased hereunder which cannot be readily removed without causing material damage to such Equipment ("Non-Severable Improvements"). All such Non-Severable Improvements when attached or affixed to the Equipment shall thereupon become the property of Lessor and shall be deemed part of the Equipment. If so requested by Lessee, Lessor will negotiate in good faith to purchase and lease alterations which, in Lessee's opinion, could be regarded as Non-Severable Improvements, at the lowest cost to Lessee consistent with its rate of return on investment consistent with the rate of return received by the Lessor in current transactions with lessees with a similar financial strength credit rating as the Lessee, in transactions with similar terms and equipment, provided that the Lessor has sufficient tax liability and funds therefor (subject to the Secured Party's right to decline to provide the debt portion to finance such Non-Severable Improvements, in which case, Lessor may proceed to obtain financing for such Non-Severable Improvements from another person on an unsecured basis.)

Lessee may make, affix or install any accessory equipment or device on the Equipment that can be readily removed without causing material damage ("Severable Improvements"). All such Severable Improvements shall remain free and clear of all Liens. Any Severable Improvement not removed prior to termination of the corresponding Lease (by scheduled expiration or otherwise) shall automatically become the property of the Lessor. Lessee

will not, without written consent of Lessor and subject to such conditions as Lessor may impose for its protection, affix the Equipment to any real property if, as a result thereof, the Equipment will become a fixture under applicable law.

8.5 Inspection by Lessor. Upon the request of Lessor, Lessee shall, at reasonable times during business hours and subject to Lessee's normal security, safety and confidentiality regulations, make the Equipment available to Lessor for inspection at the place where it is normally located and shall make Lessee's log and maintenance records pertaining to the Equipment available to Lessor for inspection.

8.6 Annual Report on Equipment Condition. As promptly as practicable following the request of the Lessor or the Secured Party, and in any case on or before May 1 of each year, commencing May 1, 1988, the Lessee will furnish to the Lessor, the Secured Party and any assignee pursuant to Section 6.4 hereof an accurate statement, as of the preceding December 31 (a) showing the amount, description and numbers of the Items of Equipment then leased hereunder, the amount, description and numbers of all Items of Equipment that may have suffered material damage or unusual wear during the 12 months ending on such December 31 (or since the date of this Lease, in the case of the first such statement), and such other information regarding the condition or repair of the Equipment as the Lessor or Secured Party may reasonably request, and (b) stating that, in the case of all Equipment repainted during the period covered by such statement, the markings required by Section 11, hereof shall have been preserved or replaced. In addition, as promptly as practicable following the request of the Lessor or the Secured Party from time to time, the Lessee will furnish to the Lessor, the Secured Party and any assignees a report of the location of each Item of Equipment as of a recent date, and such other information as they from time to time reasonably may request.

9. REPRESENTATIONS AND WARRANTIES OF LESSEE AND LESSOR.

9.1 Representations and Warranties by Lessee. Lessee hereby represents, warrants and covenants that, with respect to the Master Lease and each Equipment Schedule executed hereunder:

(a) The execution, delivery and performance thereof by Lessee have been duly authorized by all necessary corporate action.

(b) The individual executing such was duly authorized to do so.

(c) The Master Lease and each Equipment Schedule constitute legal, valid and binding agreements of Lessee enforceable in accordance with their respective terms.

(d) The Equipment is personal property and when subjected to use by Lessee will not be or become fixtures under applicable law.

(e) Lessee shall furnish, upon request by Lessor, financial statements for the most recent period.

10. RETURN OF EQUIPMENT UPON EXPIRATION OF TERM.

Upon termination (by expiration or otherwise) of the term of this Lease with respect to any Item of Equipment, the Lessee will, at its own cost and expense, deliver possession of such Item of Equipment to the Lessor upon such storage tracks nearest Lessee's Plaquemine, Louisiana, facility as Lessee shall designate and permit the Lessor to store such Item of Equipment at such location for a period not exceeding ninety (90) days.

The Equipment shall be returned to the Lessor in good order, condition and repair, ordinary wear and tear excepted, but in any event in a condition at least equal to that of similar equipment owned by the Lessee, and otherwise suitable for use in interchange in accordance with the Interchange Rules, and in a state of condition such that the Lessor or any person which may lease such Item of Equipment from the Lessor may immediately place such Item of Equipment into normal service without any additional repair, or maintenance. In addition, and without limitation of the foregoing, the Equipment shall be returned to the Lessor in at least the condition required by Section 8 hereof.

Storage of such Item of Equipment shall be at the risk and expense of the Lessee for the initial ninety (90) day period; thereafter, storage shall be at the risk and expense of the Lessor. During any such storage period the Lessee will permit the Lessor or any person designated by it, including the authorized representative or representatives of any prospective purchaser of any such Item, to inspect the same. Lessee shall not be solely responsible for the wrongful acts or omissions of the Lessor or the Secured Party and their respective employees and agents during any such inspection.

All amounts earned in respect of the Equipment after the date of expiration of this Lease, but not exceeding the rental, per diem, or other similar charge for equipment received therefor, shall belong to the Lessor and, if received by the Lessee, shall be promptly turned over to the Lessor. In the event any Item of Equipment is not delivered and stored as herein above provided within fifteen (15) days after the expiration of this Lease, the Lessee shall so notify Lessor and pay to the Lessor for each day after such fifteen (15) day period an amount equal to 0.026%, or as adjusted pursuant to Section 6(d) of the Equipment Schedule, of the Original Cost of such Item of Equipment.

11. MARKING OF EQUIPMENT.

The Lessee will cause each Item of Equipment to be kept numbered with its serial number as set forth in the appropriate Equipment Schedule from and after the corresponding Acceptance Date. In addition, the Lessee shall, within one hundred twenty (120) days of the applicable Acceptance Date (except that in the case of any locomotive, such legend shall exist on such locomotive from and after the corresponding Acceptance Date) will label, keep and maintain, plainly, distinctly, permanently and conspicuously marked by a plate or stencil printed in contrasting color in letters not less than one inch in height a legend as follows:

"Leased from Whirlpool Acceptance Corporation, as Owner, and subject to a Security Interest recorded with the I.C.C."

Such legend shall be subject to such changes and additions thereto as from time to time may be required by law or reasonably requested from time to time by the Lessor or the Secured Party in order to protect the title of the Lessor to such Item of Equipment, its rights under this Lease and the rights of the Secured Party and any assignee under Section 6.4 hereof. Lessee shall keep all Equipment free from any marking or labeling which might be interpreted as a claim of ownership thereof by Lessee or any party other than Lessor or anyone so claiming through Lessor.

12. RISK OF LOSS AND INSURANCE.

12.1 Risk of Loss. Lessee hereby assumes the entire risk of loss, damage or destruction of the Equipment; commencing with the Acceptance Date and ending upon Lessee's delivery of the Equipment to Lessor as required in Section 10 above, and no such loss, damage or destruction shall relieve Lessee of any of its obligations under any Lease. In the event the Equipment or any Item of Equipment is damaged, Lessee shall forthwith notify the Lessor and the Secured Party of the details thereof and how the Lessee proposes to proceed with respect thereto, and (a) if the damage is repairable, Lessee shall forthwith have the damage repaired at its expense, without interruption of payments of Rent or (b) if the damage is irreparable then, at Lessee's option, either (x) continue the Lease, without interruption, as if no such damage had occurred, and by the next Rent Payment Date purchase in Lessor's name replacement equipment (which shall become part of the Equipment) equivalent in value and function to the Equipment so damaged and pay to Lessor any amounts required by the terms of the Participation Agreement or (y) on the next Rent Payment Date pay to Lessor the stipulated loss value as set forth to such Lease ("Stipulated Loss Value") and all rent charges and other charges accrued and unpaid to and including the date of such payment.

Upon replacement or payment of the Stipulated Loss Value, Lessor shall transfer to Lessee title to the irreparably damaged Item or Items of Equipment (or, Lessee's designee as may be required under the provisions of an insurance policy or maintenance agreement provided by Lessee with respect to the Equipment or otherwise) on an "as is" basis without recourse or warranty.

12.2 Insurance and Self-Assumption.

(a) Lessee will, at all times prior to the return of the Equipment to Lessor, at its own expense, carry and maintain or cause to be carried and maintained (i) all risk property insurance with respect to the Equipment; and (ii) comprehensive general liability insurance with respect to third party personal injury and property damage, in each case with no greater deductibles and at least comparable in amounts and against risks customarily insured against by Lessee with respect to equipment it owns or leases similar in nature to the Equipment; provided, however, that Lessee may in any event self-assume with respect to the all risk property insurance in a manner and to the extent such self-assumption is consistent with the self-assumption practices of Lessee with respect to equipment it owns or leases similar in nature to the Equipment; provided, further, that comprehensive general liability insurance with respect to third party personal injury and property damage shall in no event be for an amount less than \$10,000,000 per occurrence of which amount the self-insurance retention by Lessee shall be in a manner and to the extent such self-assumption is consistent with the self-assumption practices of Lessee with respect to equipment it owns or leases similar in nature to the Equipment. Any policies of insurance carried in accordance with this Section 12.2 shall (i) require thirty (30) days' prior written notice to each of the Lessor and Secured Party of cancellation, invalidation or material change in coverage, (ii) show each of the Lessor and the Secured Party as an additional insured, (iii) provide that such insurance is primary and without right of contribution from any other insurance which might otherwise be available to the Lessor or the Secured Party, (iv) provide that in the event of any loss payment under a property policy, the proceeds thereof shall be payable to Lessee and each the Lessor and the Secured Party as their interests may appear and require that the interests of the Lessor and the Secured Party shall not be invalidated by any action or inaction of the Lessee or any other person, or by any breach or violations by the Lessee or any other

person of any warranties, declarations or conditions contained in the policies relating to such issuance, (v) provide that the insurer shall waive any rights of subrogation against the each of the Lessor and the Secured Party, (vi) waive any setoff or counterclaim or any other deduction whether by attachment or otherwise, and (vii) include a cross-liability endorsement providing that inasmuch as the policies are written to cover more than one insured, all terms and conditions, insuring agreements and endorsements, with the exception of limits of liability, shall operate in the same manner as if there were a separate policy covering each insured, or as provided for in the comprehensive general liability policy.

(b) On or prior to the Acceptance Date and thereafter not less than five (5) days prior to the expiration dates of the expiring policies required pursuant to this Section 12.2, Lessee shall deliver to each party hereto certificates of insurance issued by the insurers thereunder or by an insurance broker authorized to bind such insurers evidencing the insurance maintained pursuant to this Section 12.2; provided, however, that if the delivery of any certificate is delayed, Lessee shall deliver an executed binder with respect thereto and shall deliver the formal certificate upon receipt thereof.

13. EARLY TERMINATION.

So long as no Event of Default or event or condition which, with the giving of notice or the passage of time or both, would constitute an Event of Default shall have occurred and be continuing hereunder, and upon not less than one hundred and eighty (180) days prior written notice to the Lessor, Lessee may terminate this Lease with respect to all or any of the Items of Equipment listed on the appropriate Equipment Schedule on any Rent Payment Date during the period commencing on the tenth anniversary of the Lease Commencement Date and for the remainder of the Base Term if such Items of Equipment, in the good faith judgement of the Lessee as determined by its Board of Directors, shall have become functionally obsolete or surplus to the needs of the Lessee. Such written notice shall designate the date on which termination is to become effective, which date shall be a

rent payment date, and shall be accompanied by a certified copy of the resolutions of the Board of Directors making such determination, and containing a statement that the Lessee does not have on order equipment similar in size, capacity and design to the Items of Equipment.

During the period from the giving of such written notice until the effective termination date, the Lessee shall solicit bids and dispose of the Items of Equipment as promptly as possible for the best price obtainable and the Lessee is hereby appointed agent of the Lessor for such purposes, provided that no such disposition shall be to the Lessee or any party affiliated therewith. The Lessee shall certify to the Lessor in writing the amount of each bid so received and the name and address of the party submitting such bid promptly upon receipt thereof. the Lessor may, but shall be under no duty to, solicit bids, inquire into the efforts of the Lessee to obtain bids or otherwise take any action in connection with arranging such dispositions. Prior to such disposition and after such termination, the Items of Equipment so disposed shall not be used by the Lessee or any party affiliated therewith.

Any disposition pursuant to this Section 13 shall be on an "as-is", "where-is" basis specifically disclaiming any representation or warranty, express or implied. The Lessee shall remain liable under all provisions of this Lease (other than its obligation to pay rent for the period after the Rent Payment Date as of which the Termination Value is paid pursuant to this Section 13) as if this Lease were in full force and effect, until such time as the Items of Equipment shall have been disposed of in accordance with the provisions of this Section 13. If for any reason whatsoever no sale shall have occurred by the date designated as the termination date, this Lease shall continue in full force and effect as to the Items of Equipment which were otherwise the subject of such termination election.

The Lessor shall be entitled to receive any proceeds from the disposition of the Items of Equipment pursuant to this Section 13, provided that the amount so received by the Lessor, net of any and all sales, use and transfer taxes and expenses incurred by the Lessor in connection with such disposition, shall be credited against the Lessee's obligation to pay

the termination value (the "Termination Value") for the Items of Equipment as set forth in Exhibit C of the appropriate Equipment Schedule on the designated termination date. After payment of the Termination Value and all other amounts then due and payable by the Lessee under this Lease, the Lessor shall pay to the Lessee any such net proceeds up to, but not exceeding, the Termination Value and any amount of such net proceeds in excess of such payments by the Lessee shall be retained by the Lessor.

14. DEFAULT.

14.1 Definition. The occurrence of any one or more of the following events (herein called "Events of Default") shall constitute a default under a Lease:

(a) Default by Lessee in the payment of any installment of rent or other charge payable by Lessee under a Lease as and when the same becomes due and payable and such default continues for a period of five (5) days after receipt of notice; or

(b) Default by Lessee in the performance of any other term, covenant or condition hereof, of any Lease, of the Participation Agreement or of any other agreement or instrument furnished to Lessor or Secured Party in connection herewith or therewith, which default shall continue for a period of fifteen (15) days after receipt of notice; or

(c) Any representation or warranty made by Lessee herein or in any Equipment Schedule, Participation Agreement, or in any document, instrument, agreement, certificate or report now or hereafter furnished to Lessor or Secured Party in connection herewith or therewith shall prove to have been false or misleading in any material respect as of the time when made; or

(d) Lessee shall default under any other Lease entered into pursuant to this Master Lease; or

(e) The making of an assignment by Lessee for the benefit of its creditors or the admission by Lessee in writing of its inability to pay its debts as they become due, or the insolvency of Lessee, or the filing by Lessee of a voluntary petition in bankruptcy, or the adjudication of Lessee as a bankrupt, or the filing by Lessee of any petition or answer seeking for itself any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any present or future statute, law or regulation or the filing of any answer by Lessee admitting, or the failure by Lessee to deny, the material allegations of a petition filed against it for any such relief, or the seeking or consenting by Lessee to, or acquiescence by Lessee in, the appointment of any trustee, receiver or liquidator of Lessee or all or any substantial part of the properties of Lessee, or the inability of Lessee to pay its debts when due; or

(f) The failure by Lessee, within sixty (60) days after the commencement of any proceeding against Lessee seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation, to obtain the dismissal of such proceeding or, within sixty (60) days after the appointment, without the consent or acquiescence of Lessee, of any trustee, receiver or liquidator of Lessee or all or any substantial part of the properties of Lessee, to vacate such appointment.

For purposes of this Master Lease, a "continuing default" shall be defined as a default which Lessee has not remedied within the time periods specified in this section.

14.2 Remedies. Upon the occurrence of any one or more Events of Default, Lessor, at its option, may (1) proceed by appropriate court action or actions to enforce performance by Lessee of the applicable covenants and terms of the applicable Lease, or to recover from Lessee any and all damages or expenses, including reasonable attorneys' fees, which Lessor shall have sustained by reason of Lessee's default in any covenant or covenants of the applicable Lease or on account of Lessor's enforcement of

its remedies thereunder, or (2) without notice or demand, accelerate the balance of the monthly rentals thereafter accruing under the applicable Lease which together with all rent and other amounts then due shall become immediately due and payable as liquidated damages and not as a penalty. Lessor shall have the right to the extent permitted by law: (i) to recover all sums so due thereunder; (ii) without notice (or, if required by law, on 10 days' notice) to retake possession of the Equipment without any process of law and for such purpose Lessor may enter upon premises where the Equipment may be located and may remove the same therefrom; (iii) to sell, lease or otherwise dispose of all or any portion of the Equipment, with the privilege of becoming the purchaser thereof, at public or private sale, for cash or on credit, in which event Lessor shall apply the cash proceeds from any sale or other disposition (less the estimated fair market value of the Equipment at the expiration of the Base Term or any extension thereof), or the present value (discounted at the Overdue Rate) of rentals under the applicable Lease for a term not to exceed the expiration of the Basic Term or any extension thereof, (all such amounts to be hereinafter called "Proceeds"), less all costs and expenses incurred in connection with the recovery, repair or storage of the Equipment or the transaction itself, against all sums due from Lessee and to the extent and in the manner permitted by law, Lessee shall be liable to Lessor for, and Lessor may recover from Lessee, the amount by which the Proceeds of any such transaction, less the expenses of retaking, storing, repairing and the transaction itself, including reasonable attorneys' fees incurred by Lessor is less than all sums due from Lessee under the applicable Lease; and (iv) to pursue any other remedy permitted by law or equity.

The above remedies, to the extent permitted by law, any one of which Lessor need not, in its discretion, exercise, shall be deemed cumulative and may be exercised successively or concurrently. Lessee shall reimburse Lessor for all costs and expenses incurred in connection with the enforcement of any right or remedy under such Lease, including reasonable attorneys' fees.

14.3 Fair Market Value and Fair Market Rental Value. Fair market value of any Item of Equipment for the purposes of this Lease shall be determined on the basis of and shall be an amount which would be obtainable

at the expiration of the Base Term or any extension thereof in an arms length transaction between an informed and willing buyer or user who is under no compulsion to purchase and an informed and willing seller who is under no compulsion to sell. Fair market rental value shall be determined on the basis of that amount which a knowledgeable and willing lessee who is under no compulsion to lease would agree to pay a lessor who is under no compulsion to lease for any Item of Equipment on the basis of a similar renewal term as that being considered by the Lessee.

15. MISCELLANEOUS.

15.1 Entire Agreement. Lessor and Lessee acknowledge that there are no agreements or understandings, written or oral, between Lessor and Lessee with respect to the Equipment, other than as set forth herein and in each Equipment Schedule and that this Master Lease Agreement and each Equipment Schedule contains the entire agreement between Lessor and Lessee with respect thereto. Neither this Master Lease nor any Equipment Schedule may be altered, modified, terminated or discharged except by a writing signed by the party against whom such alteration, modification, termination or discharge is sought.

15.2 Further Assurances. Upon the closing date for any Equipment Schedule, Lessee shall execute and deliver, upon the request of Lessor, an opinion of counsel, those exhibits to the Master Lease required, financing statements or such other documents as may be reasonably requested to effect the purposes of this Lease. Lessee shall at any time and from time to time after the execution and delivery of this Lease provide such further assistance as may be necessary in order fully to effect the purposes of this Lease and any assignment hereof.

15.3 No Waiver. No omission, or delay, by Lessor at any time to enforce any right or remedy reserved to it, or to require performance of any of the terms, covenants or provisions hereof by Lessee at any time designated, shall be a waiver of any such right or remedy to which Lessor is entitled, nor shall it in any way affect the right of Lessor to enforce such provisions thereafter.

15.4 Binding Nature. Each Lease shall be binding upon Lessor, Lessee and their respective successors, legal representatives and assigns and shall inure to the benefit of Lessor, Lessee, the Secured Party and their respective successors and assigns. The Secured Party may assign or grant participation in its rights herein, and to the extent of any such assignment or participation the holder thereof shall have the same rights as the Secured Party herein.

15.5 Survival of Obligations. All agreements, representations and warranties contained in this Master Lease and Equipment Schedule or in any document delivered pursuant hereto or in connection herewith shall be for the benefit of Lessor and any Assignee or Secured Party and shall survive the execution and delivery of this Master Lease and the expiration or other termination of this Master Lease or any Lease entered into in connection herewith.

15.6 Notices. Any notice, request or other communication to either party by the other as provided for herein shall be given in writing and only shall be deemed received upon the earlier of receipt or three days after mailing if mailed postage prepaid by registered mail to Lessor or Lessee, as the case may be, at the address for such party set forth in the appropriate Equipment Schedule or at such changed address as may be subsequently submitted by written notice of either party.

15.7 Applicable Law. This Master Lease and all Exhibits hereto, has been, and each Equipment Schedule shall be governed and construed for all purposes under and in accordance with the laws of the State of Michigan.

15.8 Severability. In the event any one or more of the provisions of this Master Lease and/or any Equipment Schedule shall for any reason be held invalid, illegal or unenforceable, the remaining provisions of this Master Lease and/or any such Equipment Schedule shall be unimpaired, and the invalid, illegal or unenforceable provision shall be replaced by a mutually acceptable valid, legal and enforceable provision, which comes closest to the intention of the parties underlying the invalid, illegal or unenforceable provision.

15.9 Counterparts. This Master Lease and any Equipment Schedule may be executed in any number of counterparts, each of which shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument. Each such executed counterpart shall constitute an original, fully enforceable counterpart for all purposes, except that only that counterpart marked "Lessor's Original" shall constitute "Chattel Paper or other "Collateral" within the meaning of the Uniform Commercial Code of any jurisdiction. All other counterparts shall be marked "Duplicate" to indicate that they are not the "Lessor's Original".

15.10 Proprietary Information. Each party agrees that it will not, without first obtaining the other party's written consent, disclose to any person, firm or enterprise, or use for its benefit, any information relating to that party's pricing methods, processes, financial data, lists, apparatus, statistics, programs, research, development or related information concerning past, present or future business activities of that party which is not in the public domain. Each party shall be liable to the other party for any material disclosure to a third party of any such information. Nothing in this Section 15.10 shall restrict the Secured Party from providing, without notice to or the consent of any person, such information to its regulators as it may deem necessary or appropriate to comply with applicable law, nor from providing such information as it may deem necessary to potential participants or assignees in the Secured Party's rights herein or in any Lease.

15.11 Headings. Section headings are for convenience only and shall not be construed as part of this Master Lease.

IN WITNESS WHEREOF, the parties hereto have executed this Master Lease on or as of the day and year first above written.

THE DOW CHEMICAL COMPANY
as Lessee

Kwy

By: 

Title: Authorized Representative

Commonwealth of Pennsylvania)
) ss:
County of Allegheny)

On this 24th day of August, 1987, before me, personally appeared Mr. R. Fenstermacher, to me personally known, who being by me duly sworn, says that he is the authorized representative of the Dow Chemical Company that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Kathleen T. Pitchford
Notary Public

[Notarial Seal]:

My Commission expires: KATHLEEN T. PITCHFORD, NOTARY PUBLIC
PITTSBURGH, ALLEGHENY COUNTY
MY COMMISSION EXPIRES MARCH 16, 1991
Member, Pennsylvania Association of Notaries

WHIRLPOOL ACCEPTANCE CORPORATION
as Lessor

By: James W. Biddinger
Title: VICE PRESIDENT

State of Michigan)
) ss:
County of Wayne)

On this 21st day of August, 1987, before me, personally appeared James W. Biddinger, to me personally known, who being by me duly sworn, says that he is the Vice President of Whirlpool Acceptance Corp., that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Maryanne Crawley
Notary Public

[Notarial Seal]:

MARYANNE CRAWLEY
Notary Public, Wayne County, MI
My Commission Expires May 20, 1990

My Commission expires:

EXHIBIT A

EQUIPMENT SCHEDULE NO. 1

To Master Lease Agreement Dated as of August 20, 1987

Lessee: THE DOW CHEMICAL COMPANY

Lessor: WHIRLPOOL ACCEPTANCE CORPORATION

Address for Notices:

Address for Notices:

Dow Chemical U.S.A.
2020 Willard H. Dow Center
Midland, Michigan 48674
Attention: Treasurer

Whirlpool Acceptance Corporation
c/o Whirlpool Leasing Services, Inc.
17177 N. Laurel Drive, Suite 233
Livonia, Michigan 48152
Attention: Leveraged Lease Administrator

Acceptance Date: August 24, 1987

Manufacturer: Electro Motive Division of G.M.
ACF Industries Inc.

<u>Item No.</u>	<u>Quantity</u>	<u>AAR NO.</u>	<u>Serial Number</u>	<u>Description</u>	<u>New or Used</u>	<u>Rent</u>	<u>Original Cost (U.S. \$)</u>
1	1	D312	866139-1	1500HP Model MP15T Locomotive	New	*	\$943,390.50
2	150	C214	DOWX 20200 through DOWX 20349	ACF Model 5800LT Center Flow Covered Hopper Cars	New	*	\$6,795,000.00

* See Schedule 1

ALL RIGHT, TITLE AND INTEREST OF THE LESSOR IN THIS EQUIPMENT SCHEDULE HAVE BEEN ASSIGNED TO MELLON BANK, N.A., PURSUANT TO A LOAN AND SECURITY AGREEMENT DATED AS OF AUGUST 20, 1987 BETWEEN THE LESSOR AND MELLON BANK, N.A.

DUPLICATE

THIS EQUIPMENT SCHEDULE is dated as of August 24, 1987 by and between WHIRLPOOL ACCEPTANCE CORPORATION (hereinafter called "Lessor"), having its principal office and place of business at 553 Benson Road, Benton Harbor, Michigan 49022 and THE DOW CHEMICAL COMPANY, a Delaware corporation (hereinafter called "Lessee"), having its principal office and place of business at 2030 Willard H. Dow Center, Midland, Michigan 48674, and constitutes a lease of the Equipment described herein.

IN CONSIDERATION of the mutual agreements hereinafter set forth and the payment of rent as provided for, the parties hereto agree as follows:

1. PROPERTY LEASED:

In consideration of the rent to be paid by Lessee and the covenants and agreements of Lessee hereinafter set forth, Lessor hereby rents, demises and lets to Lessee all of the tangible personal property listed on the cover page to this lease.

2. SERIES OF LEASES:

This Equipment Schedule incorporates the lease terms, including definitions, terms and conditions, contained in the Master Lease Agreement between the Lessor and Lessee referred to on the cover sheet (the "Master Lease"), as the same may be amended below, as though set forth herein in their entirety. The terms used herein and beginning with initial capital letters, but not defined in the main part of this instrument, are defined in the Master Lease. This Equipment Schedule is one of a series of Equipment Schedules which Lessor and Lessee expect (but are not obligated) to enter into with respect to tangible personal property incorporating the Master Lease, but, each lease in the series is independent of all the others and constitutes in itself a complete lease. The Master Lease does not itself constitute a lease and has been executed for identification solely for purposes of being incorporated into leases in the form of particular Equipment Schedules. In an event of conflict between the terms of this Equipment Schedule and the Master Lease, the Equipment Schedule shall prevail.

3. ACCEPTANCE DATE:

Pursuant to Section 2 of the Master Lease the Acceptance Date for the purposes of this Equipment Schedule is the date set forth in the corresponding Certificate of Acceptance.

4. BASE TERM:

(a) Pursuant to Section 3 of the Master Lease, Lessor and Lessee agree that the Base Term of this Equipment Schedule is twenty (20) years commencing on January 15, 1988 (the "Commencement Date").

(b) If Lessee is required to make any payment of rent due to Lessor's failure to make the payment of interest due on the Note on January 15, 1988 ("Contingent Rent"), then Lessee may offset from the equity portion of future Basic Rental payments such Contingent Rent, plus interest thereon calculated at a rate per annum equal to the Mellon prime rate plus 5 percentage points for the period from the date of payment by Lessee through the date of reimbursement. In the event Lessee is not, or will not, be fully reimbursed by such offsets, Lessee shall have the right to acquire the Equipment for a price equal to the then fair market value less any amount then owed by Lessor to Lessee. Nothing in this Section 4.(b) shall be construed to limit the effect of Section 6.(e) hereof.

5. EQUIPMENT LOCATION:

See Exhibit D.

6. RENT AND PAYMENT:

Pursuant to Section 4 of the Master Lease, the Lessee agrees to pay the Lessor the following rent for each Item of Equipment:

(a) Base Rental. For each Item of Equipment, eighty (80) quarterly installments in arrears of Base Rental, each in an amount determined by multiplying the Original Cost of the Equipment by the percentage set forth in Schedule 1 attached hereto and made a part hereof for the applicable Rent Payment Date, subject to adjustment pursuant to Paragraph 6.(d) hereof, and to increase or decrease pursuant to Paragraph 6.(b) hereof.

(b) Rent Differential. So long as the Note shall be outstanding, each installment of Base Rental shall be increased or decreased, as the case may be, by the Rent Differential. For purposes hereof, "Rent Differential" shall mean, as of any Rent Payment Date, the difference between (i) the aggregate amount of interest then due and payable for the entire quarter on the Note ("Aggregate Interest Due"), and (ii) the aggregate amount of interest that would have been due and payable on such Rent Payment Date on the Note if said Note had borne interest at a rate equal to ten percent (10%) per annum (computed on the basis of a 360-day year of twelve 30-day months). The Rent Differential can only affect the interest component of the rent due.

If, as of any Rent Payment Date, the amount determined in accordance with clause (i) of subparagraph 6.(b) herein shall be greater than the amount determined in accordance with clause (ii) of subparagraph 6.(b) herein, the amount of Base Rental due on such Rent Payment Date shall be increased by the Rent Differential in accordance with the following formula:

Rent Differential = Aggregate Interest Due - [Outstanding Principal x (0.10/4)] - Supplemental Rental Paid Pursuant to Paragraph 6.(c) herein; and

If, as of any Rent Payment, the amount determined in accordance with clause (i) of subparagraph 6.(b) herein shall be less than the amount determined in accordance with clause (ii) of subparagraph 6.(b) herein, the amount of Base Rental due on such Rent Payment Date shall be decreased by the Rent Differential in accordance with the following formula:

Rent Differential = [Outstanding Principal x 0.10/4] - Aggregate Interest Due + Supplemental Rental Paid Pursuant to Paragraph 6.(c) herein.

See Schedule 2 for examples of Rent Differential computations.

(c) Supplemental Rental.

If, pursuant to the provisions of the Note, Lessor shall be obligated to pay interest to the Secured Party on a day which is not a Rent Payment Date, Lessee shall pay to the Lessor an amount equal to such interest then due and payable ("Supplemental Rental").

(d) Adjustment of Rent. Notwithstanding any other provision of this Lease, the Lessee and the Lessor agree that the Base Rental and the Stipulated Loss Value and Termination Value percentages set forth in Exhibit C attached hereto and made a part hereof will be adjusted in the event that either:

(x) any assumption set forth below shall prove to be untrue:

(i) the Closing Dates on which the Equipment will be purchased will be August 24, 1987;

(ii) one hundred fifty-one (151) Items of Equipment will be purchased by the Lessor on August 24, 1987 and

(iii) the Note is replaced pursuant to Section 16 of the Participation Agreement.

(y) if any amendment to, or change in, the Internal Revenue Code of 1954, as amended (the "Code"), or income tax regulations thereunder are approved during the term of the 100th Congress and applicable to transactions on or before the Closing Dates, the effect of which is to

change the Net Yield (as that term is defined in Section 3 of the Tax Indemnity Agreement) of the Lessor with respect to any Item of Equipment based on the same assumptions and methods of calculation utilized by the Lessor in originally evaluating the transactions contemplated by this Lease, except to the extent and only to the extent any such amendment to, or change in, the Code or income tax regulations thereunder affects the Lessor's assumptions with respect to cash or accrual accounting or with respect to alternative minimum taxes, in which event no such adjustment shall be made hereunder.

Any such adjustment pursuant to clause (x) above shall be with respect to all Items of Equipment and pursuant to clause (y) above shall be with respect to the subject Item of Equipment and in any such case shall be effective as of the first Rent Payment Date following the event giving rise to such adjustment and shall be made in such a manner as will, in the Lessor's reasonable judgment, maintain the Net Yield that would have been realized by the Lessor had such event not occurred, based on the same assumptions and methods of calculation utilized by the Lessor in originally evaluating the transactions contemplated by this Lease and the Loan and Security Agreement. Notwithstanding the foregoing, the Base Rental, and the Stipulated Loss and Termination Value percentages will never be less than those amounts and percentages required to enable the Lessor to satisfy in full its periodic obligations in respect of the Notes. Prior to the first Closing Date the Lessor shall have deposited with D'Accord Financial Services, Inc. ("D'Accord"), a statement of its assumptions relating to its Net Yield, including its assumption as to the residual value of the Equipment. After any such adjustment pursuant to this the Lessee may request D'Accord to verify the accuracy of such adjustment based upon the original assumptions of the Lessor so deposited with D'Accord. The Lessee agrees to pay the costs of the depository and verification arrangement herein contemplated.

(e) Minimum Payments. Anything which is contained in the Lease or this Equipment Schedule to the contrary notwithstanding, (i) payments of Basic Rental to the Lessor shall in no event be less than the amount of principal and interest due and payable on the Note, and such payments of Basic Rental shall be due as and when such payments are due on the Note; (ii) payments of Supplemental Rental to the Lessor shall in no event be less than the amount of principal and interest due and payable on the Note and all other amounts payable by the Lessor under the Note or the Loan Agreement, and such payments of Supplemental Rental shall be due as and when such payments are due on the Note or the Loan Agreement; (iii) payments of Stipulated Loss Value and Termination Value to the Lessor shall in no event be less than the principal amount of the Note to be paid by

Lessor in connection therewith and accrued and unpaid interest thereon, and such payments shall be due as and when such payments are due pursuant to the Note or the Loan Agreement; and (iv) the obligations of the Lessee to make payments to Lessor under this Section 6 shall be absolute and unconditional and shall survive termination of the Master Lease and this Equipment Schedule, the intention of this Section 6(e) being that the Lessee in all events shall be obliged to pay as rent hereunder amounts at least sufficient to satisfy all of the Lessor's obligations under the Loan Agreement and the Note, as and when due thereunder. (For purposes of the foregoing clauses (i) and (ii), "principal" shall be deemed "due" under the Note only to the extent that the Secured Party does not make a "Rollover Loan" (as defined in the Loan Agreement) to refinance part or all of the principal amount due under the Note.)

(f) Disputed Rental. If the Secured Party demands payment from Lessor of monies pursuant to Section 2 of the Loan and Security Agreement, and if the Lessee, acting as Lessor's agent pursuant to the Agency Agreement entered into between Lessor and Lessee of even date herewith, disagrees with the Secured Party as to the appropriateness or the calculation of said payment ("Disputed Payment"), then the Lessee agrees to pay the Disputed Payment as disputed rental; provided, however, that the Lessor shall assign to Lessee its rights to sue the Secured Party for a refund of the Disputed Payment, at which time the Lessor shall be free and clear of any obligation to the Lessee or the Secured Party with respect thereto.

(g) Method of Payment. The Lessee shall pay all Base Rental and Supplemental Rental to the Lessor at its principal office, or to the Secured Party pursuant to Section 6.4 of the Master Lease. The Lessee shall make each payment of rental due hereunder in immediately available funds at the opening of business of the office of the transferring bank on the due date of such payment. If the due date is not a business day, such payment will be made on the next succeeding business day. For purposes of this Lease, the term "business day" means calendar days, excluding Saturdays, Sundays and holidays on which commercial banks in the State of New York are authorized by law to close.

(h) Overdue Rate. For purposes of this Equipment Schedule the Overdue Rate shall be equal to the prime commercial rate charged from time to time by the Secured Party, plus 2%.

7. SECTION 12.2(a)(1):

The calendar year for the purposes of this Equipment Schedule shall be 1987 and the Items are 7 year recovery property as defined in Section 168(e) of the Internal Revenue Code.

8. STIPULATED LOSS AND TERMINATION VALUES:

See Exhibit C.

9. ACQUISITION OF EQUIPMENT BY LESSOR:

Lessor may appoint Lessee as its Agent to acquire equipment for and on its behalf and to lease that equipment to Lessee on the terms and conditions of the Master Lease and at the rate specified by Lessor.

10. FINANCING STATEMENTS:

Pursuant to Section 6.1 of the Master Lease, Lessee shall file, register or record the Lease, the Notice of Assignment and such other documents as may be required with the Interstate Commerce Commission in accordance with Section 11303 of the Interstate Commerce Act and in such other places within or without the United States as lessor or Secured Party may reasonably request.

11. SUBLEASE:

Subject to the provision of Section 6.2, Lessee, upon giving prompt written notice to Lessor, shall be entitled to sublease the Items of Equipment to (i) common carrier railroads pursuant to the Lessee's car usage agreements entered in to by the Lessee in the ordinary course of its business, and (ii) to such other responsible sublessees as Lessee may choose on a short term (six months or less) basis.

THE DOW CHEMICAL COMPANY
as Lessee

By: _____
Title: Authorized Representative
Dated: _____

Commonwealth of Pennsylvania)
) ss:
County of Allegheny)

On this ____ day of August, 1987, before me, personally appeared _____, to me personally known, who being by me duly sworn, says that he is the _____ of _____, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Notary Public

[Notarial Seal]:

My Commission expires:

WHIRLPOOL ACCEPTANCE CORPORATION
as Lessor

By: _____
Title: _____
Dated: _____

State of Michigan)
)
County of Wayne) ss:

On this ____ day of August, 1987, before me, personally
appeared _____, to me personally known, who being
by me duly sworn, says that he is the _____ of
_____, that the seal affixed to the foregoing
instrument is the corporate seal of said corporation, that said
instrument was signed and sealed on behalf of said corporation by
authority of its Board of Directors, and he acknowledged that the
execution of the foregoing instrument was the free act and deed of
said corporation.

Notary Public

[Notarial Seal]:

My Commission expires:

SCHEDULE 1

(to Equipment Schedule No. 1)

SCHEDULE OF BASE RENTAL

The Base Rental for an Item of Equipment shall mean an amount equal to the percentage of the Original Cost of such Item set forth opposite the applicable Rent Payment Date in the following schedule:

<u>Rent Payment Date</u>	<u>Percentage of Original Cost</u>
April 15, 1988	1.8965
July 15, 1988	1.8965
October 15, 1988	1.8965
January 15, 1989	2.7655
April 15, 1989	1.8827
July 15, 1989	1.8827
October, 1989	1.8827
January 15, 1990	2.8070
April 15, 1990	1.8596
July 15, 1990	1.8596
October 15, 1990	1.8596
January 15, 1991	2.8763
April 15, 1991	1.8342
July 15, 1991	1.8342
October 15, 1991	1.8342
January 15, 1992	2.9525
April 15, 1992	1.8062
July 15, 1992	1.8062
October 15, 1992	1.8062
January 15, 1993	3.0364
April 15, 1993	1.7755
July 15, 1993	1.7755
October 15, 1993	1.7755
January 15, 1994	3.1287
April 15, 1994	1.7416
July 15, 1994	1.7416
October 15, 1994	1.7416
January 15, 1995	3.2302
April 15, 1995	1.7044
July 15, 1995	1.7044
October 15, 1995	1.7044

Rent Payment Date (con't)Percentage of Original Cost (con't)

January 15, 1996	7.9998
April 15, 1996	1.9133
July 15, 1996	1.8813
October 15, 1996	1.8813
January 15, 1997	5.1529
April 15, 1997	1.9297
July 15, 1997	1.7842
October 15, 1997	1.4672
January 15, 1998	5.3481
April 15, 1998	1.8691
July 15, 1998	1.7306
October 15, 1998	1.3862
January 15, 1999	5.9373
April 15, 1999	1.8171
July 15, 1999	1.2898
October 15, 1999	1.2898
January 15, 2000	6.1712
April 15, 2000	1.7696
July 15, 2000	1.1966
October 15, 2000	1.1966
January 15, 2001	6.4220
April 15, 2001	1.7175
July 15, 2001	1.0972
October 15, 2001	1.0972
January 15, 2002	7.4146
April 15, 2002	0.9731
July 15, 2002	0.9731
October 15, 2002	0.9731
January 15, 2003	7.8733
April 15, 2003	0.8202
July 15, 2003	0.8202
October 15, 2003	0.8202
January 15, 2004	8.4452
April 15, 2004	0.6296
July 15, 2004	0.6296
October 15, 2004	0.6296
January 15, 2005	9.0789
April 15, 2005	0.4183
July 15, 2005	0.4183
October 15, 2005	0.4183

<u>Rent Payment Date (con't)</u>	<u>Percentage of Original Cost (con't)</u>
January 15, 2006	9.7811
April 15, 2006	0.1843
July 15, 2006	0.1843
October 15, 2006	0.1843
January 15, 2007	10.3339
April 15, 2007	0.0
July 15, 2007	0.0
October 15, 2007	0.0

SCHEDULE 2

SAMPLE RENT DIFFERENTIAL CALCULATIONS

It is July 15, 1989 and the principal outstanding is \$753,075.95.

This is split into 3 Loans under the Note:

-\$250,000 due on September 13 @ 10%

-\$250,000 due on October 26 @ 9.75%

-\$253,075.95 due on January 15 @ 9.5%

On September 13 that Loan under the Note is replaced with one maturing March 13 @ 10.125%

On September 13 supplemental rental calculated as follows will be paid:

$$250,000 \times \frac{[17 + 31 + 12]}{360} \times 0.10 = \$4,166.67$$

AN EXAMPLE WHERE AGGREGATE INTEREST DUE IS LESS THAN THE 10% BASE INTEREST

On October 15 a base rental of \$18,826.90 is due. The rent differential on this date will be calculated as follows.

Aggregate Interest Due (i):

For the first Loan under the Note

$$\$250,000 \times \left[\left(\frac{60}{360} \times 0.10 \right) + \frac{32}{360} \times 0.10125 \right] = \$6,416.67$$

For the second Loan under the Note

$$\$250,000 \times \left(\frac{92}{360} \times 0.0975 \right) = \$6,229.17$$

For the third Loan under the Note

$$\$253,075.95 \times \left(\frac{92}{360} \times 0.095 \right) = \$6,144.12$$

$$\text{Aggregate Interest Due} = \$18,789.96$$

Interest Via (ii):

$$\$753,075.95 \times \left(\frac{0.10}{4} \right) = \$18,826.90$$

Rent Differential:

$$= \$18,826.90 - \$18,789.96 + \$4,166.67$$

$$= \$4,203.61$$

Rent Which Dow Will Pay:

$$\begin{aligned} &= \$18,826.90 - \$4,203.61 \\ &= \$14,623.29 \end{aligned}$$

Check:

$$\text{Aggregate Interest Due} = \$18,789.96$$

$$\text{Total Dow Rental} = \$4,166.67 + \$14,623.29 = \$18,789.96$$

On October 26 that Loan under the Note is replaced with one maturing the following October 26 @ 12%.

On October 26 supplemental rental calculated as follows will be paid.

$$[\$250,000 \times (\frac{11}{360}) \times 0.0975] = \$744.79$$

AN EXAMPLE WHERE AGGREGATE INTEREST DUE EXCEEDS THE 10% BASE INTEREST

On January 15, 1990, a base rental of \$28,069.57 is due. The rent differential on this date will be calculated as follows:

Aggregate Interest Due (i):

$$\begin{aligned} &\text{For the first Loan under the Note} \\ &\$250,000 \times (\frac{92}{360} \times 0.10125) = \$6,468.75 \end{aligned}$$

$$\begin{aligned} &\text{For the second Loan under the Note} \\ &\$250,000 \times [(\frac{11}{360} \times 0.0975) + (\frac{81}{360} \times 0.12)] = \$7,494.79 \end{aligned}$$

$$\begin{aligned} &\text{For the third Loan under the Note} \\ &\$253,075.95 \times (\frac{92}{360} \times 0.095) = \$6,144.12 \end{aligned}$$

$$\text{Aggregate Interest Due} = \$20,107.66$$

Interest Via (ii):

$$\$753,075.95 \times \frac{0.10}{4} = \$18,826.90$$

Rent Differential:

$$= \$20,107.66 - \$18,826.90 - \$744.79$$

$$= \$535.97$$

Rent Which Dow Will Pay:

$$= \$28,069.57 + \$535.97$$

$$= \$28,605.54$$

Check:

$$\begin{aligned} \text{Total Rent Due} &= \text{Interest} + \text{Other} \\ &= \$20,107.66 + \$9,242.67 \\ &= \$29,350.33 \end{aligned}$$

$$\begin{aligned} \text{Total Dow Payments} &= \$744.79 + \$28,605.54 \\ &= \$29,350.33 \end{aligned}$$

EXHIBIT B

CERTIFICATE OF ACCEPTANCE

under

Master Lease Agreement dated as of August 20, 1987, between Whirlpool Acceptance Corporation (the "Lessor"), and The Dow Chemical Company (the "Lessee").

1. Items of Equipment and Lease Terms

The Lessee hereby certifies and warrants to Lessor that the following Items of Equipment have been delivered to the location indicated below, tested and inspected by Lessee, found to be in good working order and accepted as Items of Equipment under the Lease for the term and rental indicated below, all on the date indicated below.

Location of Items of Equipment: Dow Chemical U.S.A.
Louisiana Division
Louisiana Highway 1
P.O. Box 150
Plaquemine, LA 70765-0150

Date of Acceptance: August 24, 1987

Description of Equipment:

<u>QTY.</u>	<u>TYPE</u>	<u>AAR NO.</u>	<u>SERIAL NUMBER</u>	<u>DESCRIPTION</u>
1		D312	866139-1	1500HP Model MP15T Locomotive
150		C214	DOWX 20200 through DOWX 20349	ACF Model 5800LT Center Flow Covered Hopper Cars

2. Representations by the Lessee

The Lessee hereby represents and warrants to Lessor that (i) no Event of Default or event which, with the giving of notice or the lapse of time, or both, would become such an Event of Default under the Lease has occurred and is continuing, and (ii) Lessee has obtained insurance policies with respect to the Equipment required to be obtained under the terms of the Lease.

Lessee: THE DOW CHEMICAL COMPANY

By: _____
Its: Authorized Representative
Date: _____

EXHIBIT C

STIPULATED LOSS AND TERMINATION VALUES

in respect of

EQUIPMENT SCHEDULE NO. 1

incorporating Master Lease Agreement dated
as of August 20, 1986, by and between

The Dow Chemical Company (Lessee)
and
Whirlpool Acceptance Corporation (Lessor)

The Stipulated Loss and Termination Values as provided for in the Master Lease Agreement shall be the percentage shown below of the Original Cost of Items of the Equipment as set forth in Equipment Schedule No. 1, depending upon the Rent Payment Date on which such Stipulated Loss Value is due. Payment of the Stipulated Loss Value or Termination Value shall be in addition to the Rent Payment for the Equipment, which is then due.

<u>After Rent Payment Date</u>	<u>Percentage of Original Cost</u>	
	<u>Stipulated Loss Value</u>	<u>Termination Value</u>
1988		
1/88	104.9400	104.9400
4/88	105.7214	105.7214
7/88	106.4203	106.4203
10/88	107.0711	107.0711
1989		
1/89	106.8037	106.8037
4/89	107.3564	107.3564
7/89	107.8439	107.8439
10/89	108.2979	108.2979
1990		
1/90	107.7935	107.7935
4/90	108.1864	108.1864
7/90	108.5337	108.5337
10/90	108.8575	108.8575
1991		
1/91	108.1405	108.1405
4/91	108.4214	108.4214
7/91	108.6705	108.6705
10/91	108.9033	108.9033

<u>After Rent Payment Date</u>	<u>Percentage of Original Cost</u>	
	<u>Stipulated Loss Value</u>	<u>Termination Value</u>
1992		
1/92	108.0011	108.0011
4/92	108.2043	108.2043
7/92	108.3772	108.3772
10/92	108.5326	108.5326
1993		
1/93	107.4399	107.4399
4/93	107.5630	107.5630
7/93	107.6547	107.6547
10/93	107.7275	107.7275
1994		
1/94	106.4278	106.4278
4/94	106.4656	106.4656
7/94	106.4857	106.4857
10/94	106.4971	106.4971
1995		
1/95	105.0123	105.0123
4/95	105.0123	105.0123
7/95	105.0123	105.0123
10/95	105.0123	105.0123
1996		
1/96	98.7177	98.7177
4/96	98.3537	98.3537
7/96	98.0249	98.0249
10/96	97.6962	97.6962
1997		
1/97	94.0959	94.0959
4/97	93.6350	93.6350
7/97	93.3214	93.3214
10/97	93.3248	93.3248
1998		
1/98	89.4578	89.4578
4/98	88.9764	88.9764
7/98	88.6357	88.6357
10/98	88.6394	88.6394

<u>After Rent Payment Date</u>	<u>Percentage of Original Cost</u>	
	<u>Stipulated Loss Value</u>	<u>Termination Value</u>
1999		
1/99	84.1034	84.1034
4/99	83.5778	83.5778
7/99	83.5818	83.5818
10/99	83.5984	83.5984
2000		
1/00	78.7462	78.7462
4/00	78.1750	78.1750
7/00	78.1794	78.1794
10/00	78.1974	78.1974
2001		
1/01	73.0036	73.0036
4/01	72.3853	72.3853
7/01	72.3901	72.3901
10/01	72.4095	72.4095
2002		
1/02	66.1263	66.1263
4/02	66.1285	66.1285
7/02	66.1571	66.1571
10/02	66.2030	66.2030
2003		
1/03	59.3663	59.3663
4/03	59.4189	59.4189
7/03	59.5030	59.5030
10/03	59.6081	59.6081
2004		
1/04	52.1094	52.1094
4/04	52.2540	52.2540
7/04	52.4356	52.4356
10/04	52.6422	52.6422
2005		
1/05	44.4250	44.4250
4/05	44.6793	44.6793
7/05	44.9766	44.9766
10/05	45.3036	45.3036
2006		
1/06	36.2982	36.2982
4/06	36.6822	36.6822
7/06	37.1160	37.1160
10/06	37.5849	37.5849

<u>After Rent Payment Date</u>	<u>Percentage of Original Cost Stipulated Loss Value</u>	<u>Termination Value</u>
2007		
1/07	30.0000	27.9401
4/07	30.0000	28.3 850
7/07	30.0000	28.8845
10/07	30.0000	29.4226
2008		
1/08	30.0000	.0000

EXHIBIT D

EQUIPMENT SCHEDULE NO. 1

Equipment Location Addresses

Locomotive located at: Dow Chemical U.S.A.
Louisiana Division
Louisiana Highway 1
P.O. Box 150
Plaquemine, LA 70765-0150

EXHIBIT E

NOTICE OF ASSIGNMENT

Gentlemen:

Re: Equipment Lease Schedule No. 1 incorporating Master
Lease Agreement dated as of August 20, 1987
(together, the "Lease")

Pursuant to the above captioned Lease between us as Lessor and Lessee covering certain Items of Equipment, please be advised that we, the undersigned Lessor, have assigned to Mellon Bank, N.A. ("Secured Party"), and granted a security interest to Secured Party in, said Lease and all the rents and other sums due or to become due or at anytime payable by Lessee pursuant to such Lease, and in the Equipment which is the subject of such Lease.

Lessee is hereby advised that Lessor has agreed not to amend the above-captioned Equipment Schedule or the Master Lease with respect to the above-captioned Equipment Schedule without the prior written consent of Secured Party. Lessee is hereby directed to make all payments of rent and all other sums due or voluntarily made to Lessor under the Lease to Secured Party by wire transfer to: Mellon Bank, N.A., Pittsburgh, PA, Attention: Loan Administration, Account No. 990873800, or to such other account at such other address as Secured Party may from time to time specify in writing. This direction may not be changed without the Secured Party's prior consent in writing.

Please acknowledge receipt of a copy of this letter and of your agreement to proceed in conformity herewith.

Very truly yours,

The undersigned hereby
acknowledges receipt of a copy
of the foregoing letter and
agrees to proceed in conformity
herewith.

WHIRLPOOL ACCEPTANCE CORPORATION
(LESSOR)

THE DOW CHEMICAL COMPANY
(LESSEE)

By: _____
Its: _____
Date: _____

By: _____
Its: Authorized Representative
Date: _____

EXHIBIT F

ACKNOWLEDGMENT OF ASSIGNMENT

Mellon Bank, N.A.
One Mellon Bank Center
Pittsburgh, PA 15258

Whirlpool Acceptance Corporation
17177 North Laurel Park Drive/Suite 233
Livonia, MI 48152

Re: Equipment Schedule No. 1 incorporating Master Lease Agreement dated August 20, 1987 (collectively, the "Lease").

Gentlemen:

The undersigned, Lessee in the Lease, being advised that Lessor under said Lease has applied to you for a loan of money based on the security of said Lease, among other security, hereby confirms, as of the date hereof, the following:

1. That Lessor under said Lease is currently Whirlpool Acceptance Corporation.
2. That the undersigned is in control of all of the Equipment and that the same has been duly installed, inspected, approved and fully accepted by the undersigned as being the Equipment required by the Lease and as being operative and suitable for the undersigned's purposes in all respects.
3. That the undersigned is aware of no claim of any kind or nature in or to the Equipment, or of any lien thereon other than the interest therein of Lessor, your security interest and our rights thereto under the Lease.
4. All representations and duties of Lessor intended to cause the undersigned to enter upon this Lease whether required by the Lease or otherwise have been fulfilled.
5. That said Lease is in full force and effect; that there is no existing default on the part of Lessor in the terms thereof; and that said Lease has not been amended, modified, supplemented or superseded in any respect whatsoever.
6. The undersigned is currently paying rent to Lessor under said Lease and in accordance with its terms, and that no rents have been prepaid except as provided by the Lease; that the undersigned does not now have or hold, nor will it at any time in the future claim, any rights against Lessor which might be setoff or credited against future accruing rents under the Lease.

7. That the undersigned has received no notice of a prior sale, transfer, assignment, hypothecation or pledge of the said Lease or of the rents reserved thereunder.

8. That it has received from Lessor notice of assignment to you by Lessor of the Lease in respect of the Equipment Schedule(s) referred to therein and it hereby agrees, until notified by you in writing to the contrary, to make all payments of rent and other payments to which Lessor is entitled under said Lease in respect of such Equipment Schedule(s) to you at the above address, or at such other address as you may designate, in writing, from time to time; that it recognizes and will continue to recognize you as Lessor as to all rights (but not as to the duties or liabilities except Lessor's duty not to interfere with Lessee's quiet enjoyment of the Equipment for so long as Lessee is not in default under the Lease or any associated Equipment Schedule) of Lessor under the Lease, and that no modification, amendment or addendum to such Lease shall be effective without your written consent.

Very truly yours,

THE DOW CHEMICAL COMPANY

By: _____
Its: Authorized Representative
Date: _____

EXHIBIT G

PURCHASE AGREEMENT

This Purchase Agreement ("Agreement") made as of the 20th day of August, 1987, between Whirlpool Acceptance Corporation ("Purchaser"), a Delaware corporation, and THE DOW CHEMICAL COMPANY, a Delaware corporation ("Seller") of 2030 Willard H. Dow Center, Midland, Michigan 48674.

Seller hereby sells and Purchaser hereby purchases the equipment more particularly described on Appendix 1 annexed hereto (the "Equipment"), together with all manufacturer's service agreements and warranties and all right, title and interest in any manufacturers Bill of Sale and all other Purchase Contracts (as such terms are defined in the Loan Agreement) applicable thereto, upon the following terms and conditions.

1. PRICE:

The total purchase price of the Equipment is \$7,738,390.50 and shall be paid against Seller's tender of a warranty bill of sale for the Equipment.

2. SHIPPING GROUP ITEMS:

Seller agrees that the following items will accompany the Equipment upon sale to Purchaser: maintenance, parts and theory of operations manuals where appropriate, and any other items that normally accompany the Equipment as defined by the manufacturer. Upon written notice from Purchaser to Seller that any of the items listed above do not accompany the Equipment, Seller shall, within ten (10) days of said written notice, either deliver to Purchaser the items listed in said notice or pay to Purchaser the replacement cost thereof as determined from the manufacturer's latest price list.

3. DELIVERY:

Delivery will be deemed to have occurred upon completion of this Agreement and payment of the purchase price to Seller which shall be paid in full on the Installation Date.

4. TITLE:

Seller warrants that at the time the Equipment is delivered, it will be lawful owner of the Equipment, that it has full right, power and authority to sell the Equipment to Purchaser, and that the Equipment will be free and clear of all liens, claims and encumbrances of any kind. Title to the Equipment shall vest in the Purchaser upon delivery in accordance with Clause 4 hereof. Seller shall tender to

Purchaser, against receipt of payment in full, a bill of sale in the form of Appendix 1 annexed hereto, warranting title to the Equipment to be free and clear of all liens, claims and encumbrances of any kind. Seller shall indemnify Purchaser against all claims and costs incurred in the defense of title to the Equipment and/or removal of any liens, claims or encumbrances against the Equipment.

5. CONDITION OF EQUIPMENT:

Seller will, subject to its standard security, safety and confidentiality rules and procedures, permit Purchaser to inspect the Equipment for general appearance at or before the time of delivery and Seller shall maintain the Equipment so that no deterioration or excessive use shall occur before delivery of the Equipment. If such deterioration should occur, Seller shall perform, or shall cause the manufacturer to perform, corrective measures to assure an appearance and condition of the Equipment acceptable to Purchaser at the time of delivery.

6. MAINTENANCE:

Seller warrants that the Equipment has been continuously maintained and has not been subjected to excessive use. Seller shall arrange and pay for any repairs and changes as are necessary for the manufacturer to accept the Equipment under contract maintenance at its then standard rates and shall provide Purchaser with maintenance agreement qualification letters in respect of the Equipment.

7. MODIFICATIONS:

Seller warrants that no machine modifications have been performed subsequent to the Equipment's being under the manufacturer's maintenance without prior notification to the manufacturer of the intent to make such modification and to subsequently place said Equipment back under the manufacturer's maintenance.

8. TERMINATION:

Purchaser reserves the right to terminate this Agreement if:
(a) Seller becomes insolvent or the subject of proceedings under any law relating to bankruptcy or the relief of debtors prior to delivery, or (b) Seller fails to perform any other provisions of this Agreement. Purchaser's right to terminate shall be exercised by written notice to Seller, whereupon Seller shall immediately refund all payments which it has received from Purchaser, but this shall not be construed to limit in any way any rights or remedies Purchaser might otherwise have against Seller in such event.

9. EFFECTIVE DATE:

This Agreement, executed by Purchaser, shall become voidable at Purchaser's option ten (10) days after the date of Purchaser's execution thereof, unless Purchaser shall have received by such date a copy thereof executed by a duly authorized representative of Seller.

10. GOVERNING LAW:

The Agreement is made pursuant to and shall be construed under the laws of the State of Michigan.

11. ENTIRE AGREEMENT:

This Agreement supersedes all previous agreements, representations and warranties whether written or oral between Seller and Purchaser and sets out the complete and entire contract between Seller and Purchaser with respect to the Equipment, and shall only be capable of variation in writing signed by the parties.

12. NOTICES:

Any notice provided for herein shall be in writing and sent by certified or registered mail to the parties at the addresses stated in the first paragraph of the Agreement.

IN WITNESS WHEREOF, the parties hereto have caused the Agreement to be signed by their respective duly authorized representatives.

Accepted by:

WHIRLPOOL ACCEPTANCE CORPORATION
PURCHASER

Accepted by:

THE DOW CHEMICAL COMPANY
SELLER

By: _____

Title: _____

Date: _____

By: _____

Title: Authorized Representative

Date: _____

EXHIBIT A TO PURCHASE AGREEMENT

BILL OF SALE

KNOW ALL MEN BY THESE PRESENTS, that The Dow Chemical Company ("Seller"), a Delaware corporation, with its executive offices at 2030 Willard H. Dow Center, Midland, Michigan 48674, for and in consideration of Seven Million, Seven Hundred Thirty-eight Thousand, Three Hundred Ninety and 50/100 Dollars (\$7,738,390.50), received from Whirlpool Acceptance Corporation ("Purchaser"), with offices at 17177 North Laurel Park Drive, Suite 233, Livonia, Michigan 48152, the receipt whereof is hereby acknowledged by Seller, does hereby bargain, sell, transfer, assign, set over and deliver unto Purchaser all of the equipment more particularly described in the attached Schedule of Equipment (the "Equipment"), which is incorporated herein, together with all manufacturer's service agreements and warranties applicable thereto;

To have and to hold the same unto Purchaser and its successors and assigns forever.

This Bill of Sale is delivered pursuant to a Purchase Agreement dated as of August 20, 1987, between Seller and Purchaser, and the sale is made upon the conditions set forth in said Agreement. Seller represents that Seller's warranties as stated in the Purchase Agreement are true as of the date hereof.

This Bill of Sale is subject to the laws of the State of Michigan.

IN WITNESS WHEREOF, the undersigned has executed this Bill of Sale as of August 24, 1987.

SELLER:

THE DOW CHEMICAL COMPANY

By: _____
Its: Authorized Representative

APPENDIX 1

SCHEDULE OF EQUIPMENT

<u>QTY.</u>	<u>TYPE</u>	<u>AAR NO.</u>	<u>SERIAL NUMBER</u>	<u>DESCRIPTION</u>
1		D312	866139-1	1500HP Model MP15T Locomotive
150		C214	DOWX 20200 through DOWX 20349	ACF Model 5800LT Center Flow Covered Hopper Cars